



**UNITED STATES ENVIRONMENTAL PROTECTION AGENCY  
REGION 8**

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Ref: 8ENF-AT-TP

Emailed: Bob.Georgius@meritenergy.com

May 21, 2020

Mr. Bob Georgius  
Merit Energy Company  
1501 Stampede Avenue  
Cody, Wyoming 82414

Re: Merit Energy Company – Steamboat Butte E5 Tank Battery Clean Air Act (CAA) –  
Notice of Warning

Dear Mr. Georgius:

This letter constitutes a Notice of Warning issued pursuant to 40 Code of Federal Regulations 49.151 and notifies the Merit Energy Company (Merit), located in Cody, Wyoming, that it has violated section I.C.1(d) of Air Quality Permit # SMNSR-WR-000005-2017.02 issued under the Clean Air Act (CAA) by exceeding the volume of gas combusted by the tank flare of 774,000 standard cubic feet per year at the Steamboat Butte E5 Tank Battery.

On October 28, 2019, Merit submitted a deviation report (as required in the Synthetic Minor Source Permit reporting requirements) to EPA regarding the discovery of a deviation on October 2, 2019. The deviation was discovered at the Steamboat Butte E5 Tank Battery on the Wind River Reservation in Wyoming. According to Merit, on October 2, 2019, after reviewing flare volumes following maintenance and calibration of the two flare meters, it was determined that the flow meter for the tank flare was underestimating the flowrate to the tank flare. The permitted threshold of 774,000 scf/yr had been exceeded and was calculated to exceed the threshold limit by 853,000 scf by the end of 2019. The allowable emissions in the air quality permit for SO<sub>2</sub> from the tank flare are 5.69 tons/year. Merit had calculated the SO<sub>2</sub> emissions from the tank flare for 2019 at 13.41 tons, 7.72 tons of SO<sub>2</sub> greater than the permitted emissions.

The flowmeter deviation also led to increases in other air pollutant emissions including: 0.73 tons of VOC, 0.26 tons of CO, 0.21 tons of H<sub>2</sub>S, 0.05 tons of NO<sub>x</sub>, and 0.03 tons of HAP all which were greater than the permitted emissions. The Synthetic Minor Source Permit with the threshold limit was final in January of 2019 and therefore, the limit was exceeded only in 2019.

Merit has begun the process of having their air quality permit revised by EPA – Region 8 to account for the increase in emissions from the tank flare. Merit has also committed to an annual clean out program of these flow meters as well as the review of the set points on the flow meters to ensure proper operation. The facility had been inspected by EPA on August 7, 2019 and no additional areas of concern were noted in the inspection report dated October 7, 2019.

This letter serves as a Notice of Warning under the CAA and advises you that future violations of this law may subject Merit to civil penalties. Although no reply to this letter is necessary, you need to take all necessary actions to correct and prevent the recurrence of the above violations.

The EPA will conduct another inspection at your facility in the future and will determine if corrective actions have been taken. Should you have any questions on how to comply with the CAA Rule, please contact Bob Gallagher at (406) 457-5020 or by email at [gallagher.bob@epa.gov](mailto:gallagher.bob@epa.gov).

Sincerely,

**SCOTT  
PATEFIELD**

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Scott Patefield, Chief  
Air and Toxics Enforcement Branch

Cc: (by email) to

Michelle Koch, Merit Energy  
Ryan Ortiz, Northern Arapaho Tribe  
Bob Gallagher, EPA